

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Hope Township	County Barry
Audit Date 3/31/05	Opinion Date 5/26/05	Date Accountant Report Submitted to State: 7/25/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

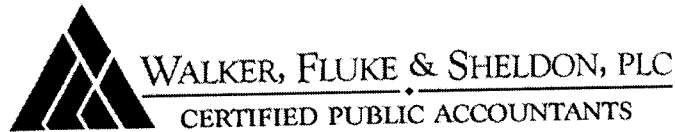
	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Walker, Fluke & Sheldon, PLC			
Street Address 525 W Apple St		City Hastings	State MI
Accountant Signature <i>Walker, Fluke & Sheldon, PLC</i>		ZIP 49058	Date 7/25/05

Hope Township
Financial Statements
For the year ended March 31, 2005

TABLE OF CONTENTS

Independent Auditors' Report	1
Management Discussion and Analysis	2 - 6
Basic Financial Statements:	
Government-Wide Statement of Net Assets	7
Government-Wide Statement of Activities	8
Governmental Fund Balance Sheet	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	10
Governmental Fund Statement of Revenue, Expenditures, and Changes In Fund Balance	11 - 12
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of Governmental Funds to Statement of Activities	13
Fiduciary Funds Statement of Net Assets	14
Fiduciary Funds Statement of Changes in Net Assets	15
Notes to Financial Statements	16 - 25
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	26 - 27
Budgetary Comparison Schedule - Road Fund	28
Budgetary Comparison Schedule - Fire Fund	29
Budgetary Comparison Schedule - Cemetery Fund	30
Additional Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	31 - 36
Combining Balance Sheet - Non-Major Governmental Funds	37 - 38
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds	39 - 40



Christopher J. Fluke, CPA
Katherine K. Sheldon, CPA

525 W. Apple
Hastings, MI 49058
www.walkerflukeandsheldon.com

Phone (269) 945-9452
Fax (269) 945-4890
E-mail walkerfluke@voyager.net

INDEPENDENT AUDITORS' REPORT

To the Township Board
Hope Township
Barry County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hope Township, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Township's financial statements as listed in the table of contents. These financial statements are the responsibility of Hope Township, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of Hope Township, Michigan, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in the notes to the financial statements, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of April 1, 2004.

The management discussion and analysis and required supplementary information list in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hope Township's basic financial statements. The additional supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Hope Township, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Hastings, Michigan
May 26, 2005

Walker, Fluke & Sheldon, PLC

Hope Township Management Discussion and Analysis

As the Township Board of Hope Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Hope Township for the fiscal year ended March 31, 2005. This being the initial year of adoption, comparative information is not presented. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Township. We encourage readers to consider this information in conjunction with the letter of transmittal, which begins on page 1, and the financial statements, which begin on page 7.

Financial Highlights

- The assets of Hope Township exceeded its liabilities at the close of the most recent fiscal year by \$2,129,518 (net assets). Of this amount, \$1,625,898 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$211,765.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$1,332,038, an increase of \$107,423 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$135,714, or 45.81% of total general fund expenditures. This demonstrates the Township's fiscal discipline and places the Township in a strong financial position to meet unexpected emergencies, uncertainties at the State level or the general slowdown of the economy.

Overview of the Financial Statements

Hope Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., state shared revenue).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, highways and streets, recreation and cultural and health and welfare.

The government-wide financial statements can be found on pages 7-8 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Hope Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: government funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at

the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Hope Township maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, Fire Fund, Cemetery Fund, Wall Lake Sewer Fund, Guernsey Lake Weed Control Fund and the Capital Projects Fund, which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 9-13 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Township's own programs.

The fiduciary fund financial statements can be found on pages 14-15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16-25 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Township adopts an annual budget for its general fund, road fund, fire fund, cemetery fund, building inspection fund, budget stabilization fund and capital projects fund. Within the required supplementary information, a budget comparison statement has been provided for the general, road, fire and cemetery funds to demonstrate compliance with the budget.

Required supplementary information can be found on pages 26-30 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information on budgets on pages 31-40.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Hope Township, assets exceeded liabilities by \$2,129,518 at the close of the most recent fiscal year.

By far the most significant portion of the Township's net assets (76.35 percent) reflects its unrestricted net assets (\$1,625,898), which may be used to meet the government's ongoing obligations to citizens and creditors. An additional portion of the Township's net assets (13.53 percent) reflects restricted net assets (\$288,102), which are resources that are subject to external restrictions on how they may be used. The remaining portion of the Township's net assets (10.12 percent) reflects its investment in capital assets (e.g. land, buildings, equipment and furniture and fixtures) (\$215,518). The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Hope Township's Condensed Financial Data

	Governmental Activities	Total
Current and Other Assets	\$ 1,979,383	\$ 1,979,383
Capital Assets	<u>215,518</u>	<u>215,518</u>
Total Assets	<u>2,194,901</u>	<u>2,194,901</u>
Short-Term Liabilities	1,994	1,994
Long-Term Liabilities	<u>63,389</u>	<u>63,389</u>
Total Liabilities	<u>65,383</u>	<u>65,383</u>
Net Assets:		
Invested in Capital Assets, Net of related debt	215,518	215,518
Restricted	288,102	288,102
Unrestricted	<u>1,625,898</u>	<u>1,625,898</u>
Total Net Assets	<u>\$ 2,129,518</u>	<u>\$ 2,129,518</u>
Program Revenues		
Charges for Services	\$ 39,756	\$ 39,756
General Revenues		
Property Taxes	246,631	246,631
Licenses and Permits	2,623	2,623
State Grants	234,907	234,907
Interest and Rents	45,074	45,074
Other Revenue	227,511	227,511
Loss from Trade-In of Capital Assets	<u>(7,776)</u>	<u>(7,776)</u>
Total Revenues	<u>788,726</u>	<u>788,726</u>
Program Expenses		
Governmental Activities:		
Legislative	20,637	20,637
General Government	227,040	227,040
Public Safety	64,162	64,162
Public Works	113,501	113,501
Recreational and Cultural	30,773	30,773
Other	114,459	114,459
Interest and Fiscal Charges	<u>6,389</u>	<u>6,389</u>
Total Expenses	<u>576,961</u>	<u>576,961</u>
Change in Net Assets	<u>\$ 211,765</u>	<u>\$ 211,765</u>

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

Governmental activities. Governmental activities increased the Township's net assets by \$211,765, mainly due to the fact that revenues were up slightly and controlled responsible spending by the Township board.

For the most part, expenses were comparable with prior year. Elections increased due to the current year being an election year. Data processing maintenance and capital outlay increased due to the purchase of new computer software and several new computer systems. Supplies and postage increased due to the an additional newsletter mailing and new equipment which fell below the capital outlay threshold. Attorney fees in the zoning department increased due to a large zoning issue in the current year.

Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$1,332,038, an increase of \$107,423 in comparison with the prior year.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$135,714 and the total fund balance was \$135,714. Unreserved fund balance represents 45.81% of the total general fund expenditures.

The fund balance of the Township's general fund decreased \$9,700 during the current fiscal year, mainly due to a state revenue sharing decrease.

General Fund Budgetary Highlights

The amended revenue and expense budget as a total did not change from the original budget.

During the year, however, revenues exceeded budgetary estimates, and expenditures were less than budgetary estimates. An operating transfer to supplement the road fund was made from the end of year general fund balance.

Capital Assets

The Township's investment in capital assets for its governmental activities as of March 31, 2005, amounts to \$215,518 (net of accumulated depreciation). This investment in capital assets includes: land, buildings, improvements, equipment and furniture and fixtures.

Major capital asset events during the current fiscal year included replacement of several computers, the purchase of computer software and several tractors on the governmental trade-in program for the cemetery. Details of the Township's capital assets are continued in the notes to the financial statements on page 22.

Long-Term Debt

At the end of the current fiscal year, the Township had total bonded debt outstanding of \$64,389. The Township debt represents special assessment bonds.

The Township's Outstanding Debt General Obligation and Revenue Bonds

	Governmental-Type Activities		Total	
	2005	2004	2005	2004
Primary Government:				
Special Assessment Bonds	\$ 63,389	\$ 104,230	\$ 63,389	\$ 104,230
Total	\$ 63,389	\$ 104,230	\$ 63,389	\$ 104,230

The Township's debt decreased by \$40,841 (39.18%) during the current fiscal year. The net reduction was attributable to making debt service payments as they came due.

Additional information on the Township long-term debt can be found on pages 23 of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Budget assumptions: The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in state-shared revenues. State shared revenues are expected to decrease in the 2005-2006 fiscal year. The Township budgeted for a decrease in state-shared revenue. The Township's millage rate will remain the same. The taxable value will increase, thus bringing in more tax revenue. The Township budgets \$30,000 annually for its Public Improvement Revolving Fund, which enables loans to special assessments at a 4% interest rate. These factors were considered in preparing the Township's budget for the 2005-2006 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Hope Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the (Supervisor/Treasurer/Clerk), Hope Township, 5463 S M-43 Highway, Hastings, MI 49058 269-948-2464.

HOPE TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
March 31, 2005

ASSETS	Primary Government	
	Governmental Activities	Total
Cash and Cash Equivalents	\$ 461,762	\$ 461,762
Investments	508,108	508,108
Receivables (Net)		
Taxes - Delinquent	24,252	24,252
Land Contract	5,411	5,411
Special Assessments	459,803	459,803
Due From State	35,241	35,241
Internal Balances	53	53
Restricted Assets	288,102	288,102
Investment in Joint Venture	196,651	196,651
Capital Assets (Net of Accumulated Depreciation)	<u>215,518</u>	<u>215,518</u>
Total Assets	<u>2,194,901</u>	<u>2,194,901</u>
LIABILITIES		
Accounts Payable	\$ 1,994	\$ 1,994
Noncurrent Liabilities		
Due Within One Year	19,785	19,785
Due In More Than One Year	<u>43,604</u>	<u>43,604</u>
Total Liabilities	<u>65,383</u>	<u>65,383</u>
NET ASSETS		
Net Assets		
Invested in Capital Assets, Net of Related Debt	215,518	215,518
Restricted for Special Assessments	85,957	85,957
Restricted for Capital Projects	202,145	202,145
Unrestricted	<u>1,625,898</u>	<u>1,625,898</u>
Total Net Assets	<u>\$ 2,129,518</u>	<u>\$ 2,129,518</u>

The Notes to Financial Statements are an integral part of this statement.

HOPE TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
March 31, 2005

		Program Revenues	Net (Expense) Revenue and Changes in Net Assets	
Functions/Programs	Expenses	Charges for Services	Governmental Activities	Total
Primary Government				
Governmental Activities				
Legislative	\$ 20,637	\$ -	\$ (20,637)	\$ (20,637)
General Government	227,040	39,756	(187,284)	(187,284)
Public Safety	64,162	-	(64,162)	(64,162)
Public Works	113,501	-	(113,501)	(113,501)
Recreational and Cultural	30,773	-	(30,773)	(30,773)
Other	114,459	-	(114,459)	(114,459)
Interest and Fiscal Charges	6,389	-	(6,389)	(6,389)
Total Governmental Activities	576,961	39,756	(537,205)	(537,205)
Total Primary Government	\$ 576,961	\$ 39,756	\$ (537,205)	\$ (537,205)
General Revenues				
Taxes and Penalties			246,631	246,631
Licenses and Permits			2,623	2,623
State Grants			234,907	234,907
Interest and Rents			45,074	45,074
Other Revenue			227,511	227,511
Loss from Trade-In of Capital Assets			(7,776)	(7,776)
Total General Revenue			748,970	748,970
Change in Net Assets			211,765	211,765
Net Assets-Beginning			1,917,753	1,917,753
Net Assets-Ending			\$ 2,129,518	\$ 2,129,518

The Notes to Financial Statements are an integral part of this statement.

HOPE TOWNSHIP
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2005

ASSETS	General	Road Fund	Fire Fund	Cemetery Fund	Wall Lake Sewer	Guernsey Lake Weed Control	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 85,276	\$ 125,560	\$ 214,169	\$ 20,793	\$ -	\$ 11,862	\$ -	\$ 80,159	\$ 537,819
Investments	-	142,346	195,362	112,645	-	-	202,145	67,655	720,153
Receivables	-	-	-	-	-	-	-	-	-
Taxes	7,516	8,368	6,276	2,092	-	-	-	-	24,252
Land Contract	5,411	-	-	-	-	-	-	-	5,411
Special Assessments	180	-	-	-	284,839	79,160	-	95,624	459,803
Due From State	35,241	-	-	-	-	-	-	-	35,241
Due From Other Funds	2,090	-	-	-	-	-	-	-	2,090
Total Assets	\$ 135,714	\$ 276,274	\$ 415,807	\$ 135,530	\$ 284,839	\$ 91,022	\$ 202,145	\$ 243,438	\$ 1,784,769
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,994	\$ -	\$ -	\$ -	\$ -	\$ 1,994
Due to Other Funds	-	-	-	-	-	-	-	2,037	2,037
Deferred Revenue	-	-	-	-	282,916	78,620	-	87,164	448,700
Total Liabilities	-	-	-	1,994	282,916	78,620	-	89,201	452,731
Fund Balances									
Unreserved-Undesignated	135,714	276,274	415,807	133,536	-	-	-	82,605	1,043,936
Reserved	-	-	-	-	1,923	12,402	202,145	71,632	288,102
Designated	-	-	-	-	-	-	-	-	-
Total Fund Balances	135,714	276,274	415,807	133,536	1,923	12,402	202,145	154,237	1,332,038
Total Liabilities and Fund Balance	\$ 135,714	\$ 276,274	\$ 415,807	\$ 135,530	\$ 284,839	\$ 91,022	\$ 202,145	\$ 243,438	\$ 1,784,769

HOPE TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
March 31, 2005

Governmental Fund Balance - March 31, 2005		\$ 1,332,038
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	\$ 321,459	
Less: Accumulated depreciation	<u>(105,941)</u>	215,518
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures		
		448,700
Investment in Joint Venture in governmental activities is not a financial resource and therefore is not reported in the governmental funds		
		196,651
Long-term liabilities are not due and payable in the current period and are not reported in the funds		
		<u>(63,389)</u>
Net Assets of Governmental Activities		<u>\$ 2,129,518</u>

The Notes to Financial Statements are an integral part of this statement.

HOPE TOWNSHIP
GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended March 31, 2005

	<u>General</u>	<u>Road Fund</u>	<u>Fire Fund</u>	<u>Cemetery Fund</u>	<u>Wall Lake Sewer</u>
Revenues					
Taxes and Penalties	\$ 76,517	\$ 85,057	\$ 63,793	\$ 21,264	\$ -
Licenses and Permits	2,623	-	-	-	-
State Grants	234,907	-	-	-	-
Charges for Services	1,221	-	-	11,990	-
Interest and Rentals	5,404	3,059	5,003	1,857	14,954
Other Revenue	<u>10,859</u>	<u>-</u>	<u>-</u>	<u>3,343</u>	<u>71,101</u>
Total Revenues	<u>331,531</u>	<u>88,116</u>	<u>68,796</u>	<u>38,454</u>	<u>86,055</u>
Expenditures					
Legislative	20,637	-	-	-	-
General Government	184,823	-	-	25,693	-
Public Safety	17,333	-	21,683	-	-
Public Works	9,698	103,803	-	-	-
Recreation and Cultural	30,773	-	-	-	-
Other	12,614	-	-	-	86,439
Capital Outlay	20,353	-	-	31,228	-
Debt Service					
Principal	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>296,231</u>	<u>103,803</u>	<u>21,683</u>	<u>56,921</u>	<u>86,439</u>
Excess of Revenues Over (Under) Expenditures	<u>35,300</u>	<u>(15,687)</u>	<u>47,113</u>	<u>(18,467)</u>	<u>(384)</u>
Other Financing Sources (Uses)					
Proceeds from Trade-In of Fixed Assets	-	-	-	20,989	-
Operating Transfers In	-	45,000	-	-	-
Operating Transfers (Out)	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(45,000)</u>	<u>45,000</u>	<u>-</u>	<u>20,989</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(9,700)</u>	<u>29,313</u>	<u>47,113</u>	<u>2,522</u>	<u>(384)</u>
Fund Balance-April 1, 2004	<u>145,414</u>	<u>246,961</u>	<u>368,694</u>	<u>131,014</u>	<u>2,307</u>
Fund Balance-March 31, 2005	<u>\$ 135,714</u>	<u>\$ 276,274</u>	<u>\$ 415,807</u>	<u>\$ 133,536</u>	<u>\$ 1,923</u>

The Notes to Financial Statements are an integral part of this statement.

HOPE TOWNSHIP
GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Continued)
For the Year Ended March 31, 2005

<u>Guernsey Lake Weed Control</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 246,631
-	-	-	2,623
-	-	-	234,907
-	-	26,545	39,756
22	3,105	11,670	45,074
<u>18,790</u>	<u>-</u>	<u>66,902</u>	<u>170,995</u>
 <u>18,812</u>	 <u>3,105</u>	 <u>105,117</u>	 <u>739,986</u>
 -	 -	 -	 20,637
-	-	-	210,516
-	-	25,146	64,162
-	-	-	113,501
-	-	-	30,773
6,410	-	8,996	114,459
-	-	693	52,274
-	-	40,841	40,841
<u>-</u>	<u>-</u>	<u>6,389</u>	<u>6,389</u>
 <u>6,410</u>	 <u>-</u>	 <u>82,065</u>	 <u>653,552</u>
 <u>12,402</u>	 <u>3,105</u>	 <u>23,052</u>	 <u>86,434</u>
 -	 -	 -	 20,989
-	-	-	45,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>
 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>20,989</u>
 12,402	3,105	23,052	107,423
<u>-</u>	<u>199,040</u>	<u>131,185</u>	<u>1,224,615</u>
<u>\$ 12,402</u>	<u>\$ 202,145</u>	<u>\$ 154,237</u>	<u>\$ 1,332,038</u>

The Notes to Financial Statements are an integral part of this statement.

HOPE TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2005

Net Change in Fund Balances - Total Governmental Funds			\$ 107,423
Special assessment revenues are recorded in the statement of activities when the project is substantially complete; they are not reported in the funds if collected by year end or within 60 days of year end			56,516
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces debt)			40,841
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:			
Expenditures for capital assets	\$	52,274	
Less: Current year depreciation		16,524	
Less: Proceeds from Trade-In of Capital Asset		20,989	
Less: Loss from Trade-In of Capital Asset		<u>7,776</u>	<u>6,985</u>
Change in Net Assets of Governmental Funds			<u>\$ 211,765</u>

The Notes to Financial Statements are an integral part of this statement.

HOPE TOWNSHIP
FIDUCIARY FUNDS STATEMENT OF NET ASSETS
March 31, 2005

<u>ASSETS</u>	<u>Pension Trust</u>	<u>Current Tax Collection</u>
Cash	\$ -	\$ 53
Investments-at Fair Value:		
Other Investments	<u>102,406</u>	<u>-</u>
Total Assets	<u>102,406</u>	<u>53</u>
<u>LIABILITIES</u>		
Due to Other Funds	<u>-</u>	<u>53</u>
Total Liabilities	<u>-</u>	<u>53</u>
<u>NET ASSETS</u>		
Held in Trust for Pension Benefits	<u>\$ 102,406</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of this statement.

HOPE TOWNSHIP
FIDUCIARY FUNDS STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2005

	<u>Pension Trust</u>
Additions	
Contributions	
Employer	<u>\$ 12,615</u>
Total Contributions	12,615
Investment Income	
Interest and Dividends	<u>3,778</u>
Total Additions	<u>16,393</u>
Deductions	
Charges	<u>(445)</u>
Total Deductions	<u>(445)</u>
Change in Net Assets	15,948
Net Assets-Beginning	<u>86,458</u>
Net Assets-Ending	<u><u>\$ 102,406</u></u>

The Notes to Financial Statements are an integral part of this statement.

**HOPE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2005**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Hope Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Hope Township:

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations
- Financial statements prepared using full accrual accounting for all of the Township's activities

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

REPORTING ENTITY

Hope Township is located in Barry County, Michigan. The Township operates under an elected board of five members and provides services to residents in many areas including fire protection and general government services. Education services are provided to citizens through several local school districts which are separate governmental entities.

JOINT VENTURES

Fire Department

The Township, together with the Townships of Barry and Prairieville has established a joint fire department under the provisions of Public Act 33 of 1951 and Public Act 7 of 1967. The department is known as the BPH Joint Fire Department. The organizational agreement provides that financing of the Department's activities will be as follows:

Each Township shall contribute one-third the cost of maintaining and operating the BPH Joint Fire Department with the exception for new vehicles and large equipment, which will be covered 30% by Barry Township, 25% by Prairieville Township and 45% by Hope Township. Half of the operating budget is due in April to cover insurance and the balance is billed quarterly.

Real property and equipment acquired by the BPH Joint Fire Department shall be held by the member Townships as tenants in common and each shall hold a one-third interest.

Hope Township's share of the cost of fire protection for the year ended March 31, 2005 was \$21,683.

The following information summarizes the activity of the joint venture through March 31, 2004, the most recent audited financial statements available.

Total Assets	\$ 589,954	Total Revenues	\$ 56,104
Total Liabilities	\$ 1,012	Total Expenditures	\$ 83,071
Total Equity	\$ 588,942	Increase (Decrease) in Fund Balance	\$ (10,212)
Total Joint Venture Outstanding Debt	\$ -		

Complete financial statements for BPH Joint Fire Department can be obtained from:

Judith Wooer, Treasurer
155 E Orchard St.
Delton, MI 49046

**HOPE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2005**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Hope Township, in conjunction with three other local units of government, has entered into an agreement, which created the Southwest Barry County Intermunicipality Committee. The purpose of the authority is to provide necessary cooperative planning of infrastructure to serve the needs of the citizens of the participating municipalities in accordance with the Authorization under the Urban Cooperation Act of 1967. The incorporating municipalities are: Barry Township, Hope Township, Prairieville Township and the Delton Kellogg School District. The board is comprised of eight members, consisting of two elected officials from each township and two representatives from the Delton Kellogg School District. During the current fiscal year \$0 has been remitted by Hope Township to the Committee.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. The Township uses a period of greater than sixty days to measure availability for property taxes receivable. The Township receives its settlement of delinquent property taxes from Barry County a few days after the sixty day period and chooses to recognize the revenue as current year property tax revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual; therefore, they have been recognized as revenue in the current fiscal period. All other revenues are considered to be measurable only when cash is received by the Township.

**HOPE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2005**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Taxes Receivable - The Township property tax is levied on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st.

Although the Township ad valorem tax is levied and collectible on February 1st, it is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

The 2004 State taxable valuation of the Township totaled \$85,094,239 on which ad valorem taxes levied consisted of .8982 mills for Township operating purposes, .7500 mills for the Township's fire services, .2500 for the Township's cemetery, and 1.0000 mills for the Township's roads, raising \$76,517 for operating, \$63,793 for fire services, \$21,264 for the cemetery, and \$85,057 for roads.

The Township reports the following major governmental funds:

- The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.
- The Road Fund accounts for the maintenance of the Township's roads. Revenues are primarily derived from property taxes.
- The Fire Fund accounts for the Township's fire services. Revenues are primarily derived from property taxes.
- The Cemetery Fund accounts for the Township's cemetery services. Revenues are primarily derived from property taxes.
- The Wall Lake Sewer Fund accounts for the Township's sewer in the Wall Lake area. Revenues are primarily derived from special assessments levied on the residents of the lake.
- The Guernsey Lake Weed Control Fund accounts for the Township's weed control project at Guernsey Lake. Revenues are primarily derived from special assessments levied on the residents of the lake.
- The Capital Projects Funds accounts for all major capital expenditures of the Township. Revenue currently consists of interest on the accounts held for this purpose.

Additionally, the government reports the following fiduciary fund types:

- The Pension Trust Fund accounts for the activities of the retirement system, which accumulates resources for pension benefit payments to qualified employees.
- The Trust and Agency Fund accounts for the assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

HOPE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 28th. After that date, they are added to the county's delinquent tax rolls.

The delinquent real property taxes of the Township are purchased by Barry County. The County intends to sell tax notes, the proceeds of which were used to pay the Township for these property taxes.

The amount recognized in the financial statements as current property tax revenue represents the 2004 taxes levied for the year.

Restricted Assets - The Township has restricted assets for capital projects and debt service. By restricting a portion of the fund balance for a specific purpose, the Township has limited the use of the funds for that specific purpose only. The Township Board cannot change the amounts restricted and cannot spend the restricted funds for any other purpose than capital projects or special assessments. The special assessment bonds require amounts to be set aside for debt service principal and interest.

Capital Assets - Capital assets, which include property, plant, and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>General Assets</u>	
Buildings	40 years
Land Improvements	15 years
Furniture	10 years
Equipment	7 years
Data Processing Equipment	5 years

HOPE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The Township Boards prepares the annual budgets prior to March 31. A Public Hearing is conducted to obtain taxpayers' comments. The budget documents present information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

During the year ended March 31, 2005, the Township incurred no expenditures in budgeted funds, which were in excess of the amounts appropriated.

FUND DEFICITS

The Township has accumulated fund balance deficits in the following individual funds:

<u>FUND</u>	<u>FUND BALANCE DEFICIT</u>
Special Assessments:	
Walters Road	\$ 1,404
South Shore Drive	\$ 633

The fund deficits arose due to a loan from the General Fund to pay for expenditures. The Township anticipates eliminating the deficit within the next year through special assessments that are due from taxpayers.

ENCUMBRANCE ACCOUNTING

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by Hope Township.

HOPE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2005

DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township has designated five banks, two federal savings banks and an investment company for the deposit of Hope Township funds.

The Township retirement system's investments are held in trust by the investment fiduciary, Manufacturers Life Financial. Michigan Compiled Laws, Section 38.1132, authorizes the Township retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contracts, obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types depending on the size of the system.

The Township's deposits and investments are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>FIDUCIARY FUNDS</u>	<u>TOTAL PRIMARY GOVERNMENT</u>
Cash and Cash Equivalents	\$ 461,762	\$ 53	\$ 461,815
Investments	508,108	102,406	610,514
Restricted Assets	<u>288,102</u>	<u>-</u>	<u>288,102</u>
Total	<u>\$ 1,257,972</u>	<u>\$ 102,459</u>	<u>\$ 1,360,431</u>

The breakdown between deposits and investments is:

	<u>TOTAL PRIMARY GOVERNMENT</u>
Cash and Cash Equivalents (Checking and Savings Accounts, Certificates of Deposit)	\$ 1,257,825
Investment in Securities (Mutual Funds and Similar Vehicles)	102,406
Petty Cash and Cash on Hand	<u>200</u>
Total	<u>\$ 1,360,431</u>

At March 31, 2005, the Township had deposits with a carrying amount of \$1,257,825 and a bank balance of \$1,290,320. Of the bank balance, \$874,602 is covered by federal depository insurance, \$415,718 is uninsured and \$0 is collateralized.

HOPE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2005

CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ADJUST- MENTS</u>	<u>ENDING BALANCE</u>
Governmental Activities					
Capital Assets not Being Depreciated					
Land	\$ 49,451	\$ -	\$ -	\$ (127)	\$ 49,324
Subtotal	<u>49,451</u>	<u>-</u>	<u>-</u>	<u>(127)</u>	<u>49,324</u>
Capital Assets Being Depreciated					
Buildings	140,801	-	-	(8,933)	131,868
Improvements	-	-	-	22,304	22,304
Furniture	-	-	-	33,345	33,345
Equipment	54,233	31,738	35,718	1,931	52,184
Data Processing Equipment	<u>54,736</u>	<u>20,536</u>	<u>4,479</u>	<u>(38,359)</u>	<u>32,434</u>
Subtotal	<u>249,770</u>	<u>52,274</u>	<u>40,197</u>	<u>10,288</u>	<u>272,135</u>
Less Accumulated Depreciation for					
Buildings	50,190	2,743	-	-	52,933
Improvements	4,592	1,338	-	-	5,930
Furniture	13,730	2,844	-	-	16,574
Equipment	16,061	6,830	4,088	-	18,803
Data Processing Equipment	<u>13,187</u>	<u>2,769</u>	<u>4,255</u>	<u>-</u>	<u>11,701</u>
Subtotal	<u>97,760</u>	<u>16,524</u>	<u>8,343</u>	<u>-</u>	<u>105,941</u>
Net Capital Assets Being Depreciated	<u>152,010</u>	<u>35,750</u>	<u>31,854</u>	<u>10,288</u>	<u>166,194</u>
Governmental Activities Total Capital Assets-Net of Depreciation	<u>\$ 201,461</u>	<u>\$ 35,750</u>	<u>\$ 31,854</u>	<u>\$ 10,161</u>	<u>\$ 215,518</u>

The adjustments to capital assets reflect corrections made during the current year to adjust the carrying balances to the Township's actual physical asset listing and eliminate all assets under the Township's cost threshold of \$500 for buildings, furniture, equipment and data processing equipment.

Depreciation expense was charged to programs of the Township as follows:

Governmental Activities	
General Government	\$ 16,524
Total Government Activities	<u>\$ 16,524</u>

HOPE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2005

LONG-TERM DEBT

The government issues bonds to provide for special assessments. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received.

The following is a summary of the debt outstanding Hope Township as of March 31, 2005:

	<u>INTEREST RATE</u>	<u>PRINCIPAL MATURES</u>	<u>BEGINNING BALANCE</u>	<u>ADDITION (REDUCTIONS)</u>	<u>ENDING BALANCE</u>	<u>DUE WITHIN ONE YEAR</u>
Governmental Activities						
Special Assessment Bonds						
Steven's Wooded Acres	7.35-7.50%	2008	\$ 35,000	\$ (10,000)	\$ 25,000	\$ 5,000
Lakeside Drive	5.40%	2005	5,000	(5,000)	-	-
Oakwood Drive	5.85%	2005	1,841	(1,841)	-	-
Walters Drive	5.24%	2006	9,177	(8,000)	1,177	1,177
South Shore Drive	5.15%	2007	8,904	(4,000)	4,904	4,000
Dogwood Drive #2	5.20%	2006	5,608	(4,000)	1,608	1,608
Keller Road	5.70%	2009	<u>38,700</u>	<u>(8,000)</u>	<u>30,700</u>	<u>8,000</u>
Total Governmental Activities			<u>\$ 104,230</u>	<u>\$ (40,841)</u>	<u>\$ 63,389</u>	<u>\$ 19,785</u>

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year End March 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 20,785	\$ 4,066
2007	18,904	2,834
2008	18,000	1,588
2009	<u>5,700</u>	<u>382</u>
Total	<u>\$ 63,389</u>	<u>\$ 8,870</u>

HOPE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2005

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances is as follows:

<u>FUND</u>	<u>INTERFUND RECEIVABLES</u>	<u>FUND</u>	<u>INTERFUND PAYABLES</u>
General	\$ 2,090	Current Tax	\$ 53
		Walters Road	1,404
		South Shore Drive	633
	\$ 2,090		\$ 2,090
<u>FUND</u>	<u>TRANSFERS IN</u>	<u>FUND</u>	<u>TRANSFERS OUT</u>
Road	\$ 45,000	General	\$ 45,000
	\$ 45,000		\$ 45,000

RISK MANAGEMENT

The Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages its risk exposure and provides certain employee benefits through a combination of risk management pools and commercial insurance.

The Township participates in the Michigan Municipal League for property, general liability, and employee bond coverage. The Michigan Municipal Liability and Property Pool were established pursuant to laws of the State of Michigan which authorizes local units of government to jointly exercise any power, privilege or authority which each might exercise separately. The purpose of the pool is to jointly exercise powers common to each participating member to establish and administer a risk management program; to prevent or lessen the incidence and severity of casualty losses occurring in the operation of its members; and to defend and protect any member of the authority against liability or loss.

The Michigan Municipal Liability and Property Pool, while it operates under the Michigan Legislation of Public Act 138, does not operate as a risk pool due to a total transfer of risk to reinsurance companies backing the Michigan Municipal Liability and Property Pool. Due to this reinsurance purchase, there is no pooling of risk between members.

The Michigan Municipal Liability and Property Pool chose to adopt the forms and endorsements of conventional insurance protection and to reinsure these coverages 100%, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have reinsurance above that retention amount.

The individual members are responsible for their self-retention amounts (deductibles) that vary from member to member.

At March 31, 2005, there were no claims, which exceeded insurance coverage. The Township had no significant reduction in insurance coverage from previous years.

HOPE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2005

DEFINED CONTRIBUTION PLAN

The Township contributes to a defined contribution pension plan for its eligible employees. The participants' accounts are held by John Hancock in individual "guaranteed accounts".

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeiture of other participants' benefits that may be allocated to such participant's account. The pension plan is available to all members of the township board. Contributions by the Township vest immediately. The Township contributes 100% of the premium or charges arising under the pension contract.

During the year, the Township's required and actual contributions amounted to \$12,615, which was 15% of its current-year covered payroll of \$82,596. The total fiscal year payroll was \$147,077. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

PENDING LITIGATION

The Township is currently a defendant in two tax appeals. It is the opinion of the board that this lawsuit is without merit and the Township intends to vigorously defend against the tax appeals. As of March 31, 2005, the case is currently pending and no amount has been accrued in these financial statements since the outcome of this matter is uncertain and the resulting liability, if any, cannot be determined.

HOPE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended March 31, 2005

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 145,414	\$ 145,414	\$ 145,414	\$ -
Resources (Inflows)				
Taxes and Penalties	73,030	73,030	76,517	3,487
Licenses and Permits	3,500	3,500	2,623	(877)
State Grants	222,000	222,000	234,907	12,907
Charges for Services	70	70	1,221	1,151
Interest and Rentals	3,200	3,200	5,404	2,204
Other Revenue	<u>14,350</u>	<u>14,350</u>	<u>10,859</u>	<u>(3,491)</u>
Total Resources	<u>316,150</u>	<u>316,150</u>	<u>331,531</u>	<u>15,381</u>
Charges to Appropriations (Outflows)				
Legislative	36,800	29,365	20,637	8,728
General Government				
Supervisor	21,910	21,910	19,881	2,029
Elections	5,200	5,200	3,941	1,259
Assessor	30,152	30,152	29,812	340
Attorney	14,000	14,000	3,849	10,151
Clerk	37,560	37,560	37,172	388
Audit	7,000	7,000	5,250	1,750
Board of Review	2,550	2,550	1,125	1,425
Treasurer	34,580	34,580	31,179	3,401
Data Processing	9,478	16,913	15,141	1,772
Township Hall	32,569	38,104	37,473	631
Public Safety				
Planning and Zoning	35,950	29,301	17,333	11,968
Public Works				
Street Lighting	5,500	5,500	4,821	679
Sanitary Landfill and Recycling	7,800	7,800	4,877	2,923
Special Assessment	30,000	30,000	-	30,000
Recreational and Cultural				
Parks	4,120	4,120	2,761	1,359
YMCA	1,000	1,000	1,000	-
Bernard Museum	1,000	1,000	1,000	-
Library	26,460	26,460	26,012	448
Other				
Insurance, Bonds and Fringes	11,500	12,614	12,614	-
Capital Outlay	<u>20,353</u>	<u>20,353</u>	<u>20,353</u>	<u>-</u>
Total Charges to Appropriations	<u>375,482</u>	<u>375,482</u>	<u>296,231</u>	<u>79,251</u>

HOPE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)
For the Year Ended March 31, 2005

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Excess of Resources Over (Under) Appropriations	<u>(59,332)</u>	<u>(59,332)</u>	<u>35,300</u>	<u>94,632</u>
Other Financing Sources (Uses):				
Operating Transfers In	65,000	65,000	-	(65,000)
Operating Transfers (Out)	<u>(55,000)</u>	<u>(55,000)</u>	<u>(45,000)</u>	<u>10,000</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>(45,000)</u>	<u>(55,000)</u>
Excess of Resources and Other Sources Over (Under) Appropriations and Other Uses	<u>(49,332)</u>	<u>(49,332)</u>	<u>(9,700)</u>	<u>39,632</u>
Budgetary Fund Balance - March 31, 2005	<u>\$ 96,082</u>	<u>\$ 96,082</u>	<u>\$ 135,714</u>	<u>\$ 39,632</u>

HOPE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - ROAD FUND
For the Year Ended March 31, 2005

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 246,961	\$ 246,961	\$ 246,961	\$ -
Resources (Inflows)				
Taxes and Penalties	75,000	75,000	85,057	10,057
Interest and Rentals	<u>1,700</u>	<u>1,700</u>	<u>3,059</u>	<u>1,359</u>
Total Resources	<u>76,700</u>	<u>76,700</u>	<u>88,116</u>	<u>11,416</u>
Charges to Appropriations (Outflows)				
Public Works				
Contracted Services	<u>110,000</u>	<u>110,000</u>	<u>103,803</u>	<u>6,197</u>
Total Charges to Appropriations	<u>110,000</u>	<u>110,000</u>	<u>103,803</u>	<u>6,197</u>
Excess of Resources Over (Under) Appropriations	<u>(33,300)</u>	<u>(33,300)</u>	<u>(15,687)</u>	<u>17,613</u>
Other Financing Sources (Uses):				
Operating Transfers In	33,300	33,300	45,000	11,700
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>33,300</u>	<u>33,300</u>	<u>45,000</u>	<u>11,700</u>
Excess of Resources and Other Sources Over (Under) Appropriations and Other Uses	<u>-</u>	<u>-</u>	<u>29,313</u>	<u>29,313</u>
Budgetary Fund Balance - March 31, 2005	<u>\$ 246,961</u>	<u>\$ 246,961</u>	<u>\$ 276,274</u>	<u>\$ 29,313</u>

HOPE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - FIRE FUND
For the Year Ended March 31, 2005

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 368,694	\$ 368,694	\$ 368,694	\$ -
Resources (Inflows)				
Taxes and Penalties	56,400	56,400	63,793	7,393
Interest and Rentals	<u>3,000</u>	<u>3,000</u>	<u>5,003</u>	<u>2,003</u>
Total Resources	<u>59,400</u>	<u>59,400</u>	<u>68,796</u>	<u>9,396</u>
Charges to Appropriations (Outflows)				
Public Safety				
Contracted Services	30,000	30,000	21,683	8,317
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Charges to Appropriations	<u>55,000</u>	<u>55,000</u>	<u>21,683</u>	<u>33,317</u>
Excess of Resources Over (Under) Appropriations	<u>4,400</u>	<u>4,400</u>	<u>47,113</u>	<u>42,713</u>
Budgetary Fund Balance - March 31, 2005	<u>\$ 373,094</u>	<u>\$ 373,094</u>	<u>\$ 415,807</u>	<u>\$ 42,713</u>

HOPE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - CEMETARY FUND
For the Year Ended March 31, 2005

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 131,014	\$ 131,014	\$ 131,014	\$ -
Resources (Inflows)				
Taxes and Penalties	19,000	19,000	21,264	2,264
Charges for Services	9,000	9,000	11,990	2,990
Interest and Rentals	1,000	1,000	1,857	857
Other Revenue	<u>-</u>	<u>-</u>	<u>3,343</u>	<u>3,343</u>
Total Resources	<u>29,000</u>	<u>29,000</u>	<u>38,454</u>	<u>9,454</u>
Charges to Appropriations (Outflows)				
Cemetery				
Salaries	16,500	16,500	15,468	1,032
Social Security	1,320	1,320	1,183	137
Supplies	2,500	2,500	1,235	1,265
Contracted Services	5,500	5,500	-	5,500
Transportation	1,500	1,500	1,236	264
Utilities	500	500	358	142
Maintenance and Repairs	7,000	7,000	6,188	812
Miscellaneous	150	150	25	125
Capital Outlay	<u>30,000</u>	<u>30,000</u>	<u>31,228</u>	<u>(1,228)</u>
Total Charges to Appropriations	<u>64,970</u>	<u>64,970</u>	<u>56,921</u>	<u>8,049</u>
Excess of Resources Over (Under) Appropriations	<u>(35,970)</u>	<u>(35,970)</u>	<u>(18,467)</u>	<u>17,503</u>
Other Financing Sources (Uses):				
Proceeds from Trade-In of Fixed Assets	30,000	30,000	20,989	(9,011)
Operating Transfers In	10,000	10,000	-	(10,000)
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>20,989</u>	<u>(19,011)</u>
Excess of Resources and Other Sources Over (Under) Appropriations and Other Uses	<u>4,030</u>	<u>4,030</u>	<u>2,522</u>	<u>(1,508)</u>
Budgetary Fund Balance - March 31, 2005	<u>\$ 135,044</u>	<u>\$ 135,044</u>	<u>\$ 133,536</u>	<u>\$ (1,508)</u>

HOPE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended March 31, 2005

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Taxes and Penalties				
Property Taxes			\$ 76,399	
Trailer Park Fees			118	
Total Taxes and Penalties	\$ 73,030	\$ 73,030	<u>76,517</u>	\$ 3,487
Licenses and Permits				
Zoning Hearings and Permits			<u>2,623</u>	
Total Licenses and Permits	3,500	3,500	<u>2,623</u>	(877)
State Grants				
State Revenue Sharing:				
Sales Tax			231,238	
Other			<u>3,669</u>	
Total State Grants	222,000	222,000	<u>234,907</u>	12,907
Charges for Services	70	70	<u>1,221</u>	1,151
Interest and Rentals				
Interest			3,077	
Rentals			<u>2,327</u>	
Total Interest and Rentals	3,200	3,200	<u>5,404</u>	2,204
Other Revenue				
Special Assessments			4,388	
Miscellaneous			<u>6,471</u>	
Total Other Revenue	<u>14,350</u>	<u>14,350</u>	<u>10,859</u>	<u>(3,491)</u>
Total Revenues	<u>316,150</u>	<u>316,150</u>	<u>331,531</u>	<u>15,381</u>

HOPE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2005

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Legislative:				
Township Board:				
Salaries			10,944	
Social Security			852	
Retirement			2,232	
Fringes			3,642	
Printing and Publishing			331	
Memberships and Conferences			1,690	
Community Promotions			848	
Miscellaneous			<u>98</u>	
Total Legislative	<u>36,800</u>	<u>29,365</u>	<u>20,637</u>	<u>8,728</u>
General Government:				
Supervisor:				
Salary			13,895	
Social Security			1,063	
Retirement			4,268	
Fringe Benefits			39	
Memberships and Conferences			<u>616</u>	
Total Supervisor	21,910	21,910	<u>19,881</u>	2,029
Elections:				
Wages			2,394	
Social Security			75	
Printing and Publishing			148	
Repairs and Maintenance			1,147	
Miscellaneous			<u>177</u>	
Total Elections	5,200	5,200	<u>3,941</u>	1,259
Assessor:				
Salary			13,266	
Other Wages			12,608	
Social Security			1,982	
Fringe Benefits			125	
Transportation			354	
Memberships and Conferences			1,201	
Miscellaneous			<u>276</u>	
Total Assessor	30,152	30,152	<u>29,812</u>	340
Attorney:				
Contracted Services			<u>3,849</u>	
Total Attorney	14,000	14,000	<u>3,849</u>	10,151

HOPE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2005

<u>EXPENDITURES (Continued)</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
General Government (Continued)				
Clerk:				
Salary			19,960	
Other Wages			9,650	
Social Security			2,265	
Retirement			3,187	
Fringe Benefits			165	
Memberships and Conferences			1,743	
Transportation			166	
Miscellaneous			36	
Total Clerk	37,560	37,560	<u>37,172</u>	388
Audit:				
Contracted Services			<u>5,250</u>	
Total Audit	7,000	7,000	<u>5,250</u>	1,750
Board of Review:				
Per Diem and Fees			878	
Social Security			67	
Printing and Publishing			<u>180</u>	
Total Board of Review	2,550	2,550	<u>1,125</u>	1,425
Treasurer:				
Salary			24,530	
Other Wages			275	
Social Security			1,898	
Retirement			3,873	
Fringe Benefits			106	
Transportation			22	
Memberships and Conferences			<u>475</u>	
Total Treasurer	34,580	34,580	<u>31,179</u>	3,401
Data Processing:				
Supplies			1,393	
Maintenance and Repairs			13,748	
Capital Outlay			<u>19,022</u>	
Total Data Processing	28,500	35,935	<u>34,163</u>	1,772

HOPE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2005

<u>EXPENDITURES (Continued)</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
General Government (Continued):				
Township Hall:				
Salaries			6,365	
Social Security			487	
Fringe Benefits			54	
Supplies and Postage			11,600	
Fuel and Gas			1,235	
Communications			1,908	
Printing and Publishing			24	
Utilities			2,658	
Repairs and Maintenance			13,104	
Miscellaneous			38	
Capital Outlay			1,331	
Total Township Hall	<u>33,900</u>	<u>39,435</u>	<u>38,804</u>	<u>631</u>
Total General Government	<u>215,352</u>	<u>228,322</u>	<u>205,176</u>	<u>23,146</u>
Public Safety:				
Planning and Zoning:				
Planning Board Wages			914	
Zoning and Board Wages			1,394	
Other Wages			1,176	
Social Security			199	
Fringe Benefits			42	
Contracted Services			12,547	
Memberships and Conferences			657	
Printing and Publishing			355	
Miscellaneous			49	
Total Planning and Zoning	<u>35,950</u>	<u>29,301</u>	<u>17,333</u>	<u>11,968</u>
Total Public Safety	<u>35,950</u>	<u>29,301</u>	<u>17,333</u>	<u>11,968</u>
Public Works:				
Street Lighting:				
Utilities			4,821	
Total Street Lighting	5,500	5,500	<u>4,821</u>	679
Sanitary Landfill and Recycling:				
Contracted Services			2,502	
Recycling			2,375	
Total Sanitary Landfill and Recycling	7,800	7,800	<u>4,877</u>	2,923

HOPE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2005

<u>EXPENDITURES (Continued)</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Public Works (Continued):				
Special Assessment:				
Public Works Special Assessment			-	
Total Special Assessment	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Public Works	<u>43,300</u>	<u>43,300</u>	<u>9,698</u>	<u>33,602</u>
Recreation and Cultural:				
Parks:				
Salaries			1,061	
Social Security			81	
Maintenance and Repairs			<u>1,619</u>	
Total Parks	<u>4,120</u>	<u>4,120</u>	<u>2,761</u>	<u>1,359</u>
YMCA:				
Contracted Services			<u>1,000</u>	
Total YMCA	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Bernard Museum:				
Contracted Services			<u>1,000</u>	
Total Bernard Museum	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Library:				
Wages			420	
Social Security			32	
Contracted Services			<u>25,560</u>	
Total Library	<u>26,460</u>	<u>26,460</u>	<u>26,012</u>	<u>448</u>
Total Recreation and Cultural	<u>32,580</u>	<u>32,580</u>	<u>30,773</u>	<u>1,807</u>
Other:				
Insurance and Bonds			<u>12,614</u>	
Total Other	<u>11,500</u>	<u>12,614</u>	<u>12,614</u>	<u>-</u>
Total Expenditures	<u>375,482</u>	<u>375,482</u>	<u>296,231</u>	<u>79,251</u>
Excess of Revenues Over Expenditures	<u>(59,332)</u>	<u>(59,332)</u>	<u>35,300</u>	<u>94,632</u>
Other Financing Sources (Uses):				
Operating Transfers In	<u>65,000</u>	<u>65,000</u>	-	<u>(65,000)</u>
Operating Transfers Out	<u>(55,000)</u>	<u>(55,000)</u>	<u>(45,000)</u>	<u>10,000</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>(45,000)</u>	<u>(55,000)</u>

HOPE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2005

<u>EXPENDITURES (Continued)</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(49,332)	(49,332)	(9,700)	39,632
Fund Balance-April 1, 2004	<u>145,414</u>	<u>145,414</u>	<u>145,414</u>	<u>-</u>
Fund Balance-March 31, 2005	<u>\$ 96,082</u>	<u>\$ 96,082</u>	<u>\$ 135,714</u>	<u>\$ 39,632</u>

**HOPE TOWNSHIP
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS
March 31, 2005**

	Special Revenue Funds		Debt Service Funds		
	Building Department	Budget Stabilization	Trails End	Hurt Drive	Lakeside Drive
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 14,950	\$ -	\$ 10,944	\$ 1,388	\$ 5,302
Investments	-	67,655	-	-	-
Special Assessments Receivable	-	-	26,280	-	3,754
Total Assets	<u>\$ 14,950</u>	<u>\$ 67,655</u>	<u>\$ 37,224</u>	<u>\$ 1,388</u>	<u>\$ 9,056</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	17,820	-	3,754
Total Liabilities	-	-	17,820	-	3,754
Fund Equity					
Fund Balance:					
Reserved	-	-	19,404	1,388	5,302
Unreserved	14,950	67,655	-	-	-
Total Fund Equity	<u>14,950</u>	<u>67,655</u>	<u>19,404</u>	<u>1,388</u>	<u>5,302</u>
Total Liabilities and Fund Equity	<u>\$ 14,950</u>	<u>\$ 67,655</u>	<u>\$ 37,224</u>	<u>\$ 1,388</u>	<u>\$ 9,056</u>

HOPE TOWNSHIP
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS (Continued)
March 31, 2005

Debt Service Funds						
Oakwood Drive	Walters Road	South Shore Drive	Dogwood Drive #2	Keller Road	Wall Lake Weed Control	Total
\$ 1,831	\$ -	\$ -	\$ 1,270	\$ 13,018	\$ 31,456	\$ 80,159
-	-	-	-	-	-	67,655
<u>5,979</u>	<u>12,422</u>	<u>9,403</u>	<u>6,950</u>	<u>29,400</u>	<u>1,436</u>	<u>95,624</u>
<u>\$ 7,810</u>	<u>\$ 12,422</u>	<u>\$ 9,403</u>	<u>\$ 8,220</u>	<u>\$ 42,418</u>	<u>\$ 32,892</u>	<u>\$ 243,438</u>
\$ -	\$ 1,404	\$ 633	\$ -	\$ -	\$ -	\$ 2,037
<u>5,979</u>	<u>12,422</u>	<u>9,403</u>	<u>6,950</u>	<u>29,400</u>	<u>1,436</u>	<u>87,164</u>
<u>5,979</u>	<u>13,826</u>	<u>10,036</u>	<u>6,950</u>	<u>29,400</u>	<u>1,436</u>	<u>89,201</u>
1,831	(1,404)	(633)	1,270	13,018	31,456	71,632
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,605</u>
<u>1,831</u>	<u>(1,404)</u>	<u>(633)</u>	<u>1,270</u>	<u>13,018</u>	<u>31,456</u>	<u>154,237</u>
<u>\$ 7,810</u>	<u>\$ 12,422</u>	<u>\$ 9,403</u>	<u>\$ 8,220</u>	<u>\$ 42,418</u>	<u>\$ 32,892</u>	<u>\$ 243,438</u>

HOPE TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended March 31, 2005

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		
	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>Trails End</u>	<u>Hurt Drive</u>	<u>Lakeside Drive</u>
Revenues					
Charges for Services	\$ 26,545	\$ -	\$ -	\$ -	\$ -
Interest and Rentals	188	985	3,766	58	695
Other Revenue	-	-	7,657	-	4,321
Total Revenues	<u>26,733</u>	<u>985</u>	<u>11,423</u>	<u>58</u>	<u>5,016</u>
Expenditures					
Public Safety	25,146	-	-	-	-
Other	-	-	11	215	99
Capital Outlay	693	-	-	-	-
Debt Service:					
Principal	-	-	10,000	-	5,000
Interest	-	-	2,600	-	269
Total Expenditures	<u>25,839</u>	<u>-</u>	<u>12,611</u>	<u>215</u>	<u>5,368</u>
Excess of Revenues Over (Under) Expenditures	<u>894</u>	<u>985</u>	<u>(1,188)</u>	<u>(157)</u>	<u>(352)</u>
Fund Balance - April 1, 2004	<u>14,056</u>	<u>66,670</u>	<u>20,592</u>	<u>1,545</u>	<u>5,654</u>
Fund Balance (Deficit) - March 31, 2005	<u>\$ 14,950</u>	<u>\$ 67,655</u>	<u>\$ 19,404</u>	<u>\$ 1,388</u>	<u>\$ 5,302</u>

HOPE TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS (Continued)
For the Year Ended March 31, 2005

Debt Service Funds						
Oakwood Drive	Walters Road	South Shore Drive	Dogwood Drive #2	Keller Road	Wall Lake Weed Control	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,545
591	1,067	816	588	2,826	90	11,670
<u>2,990</u>	<u>4,757</u>	<u>2,351</u>	<u>1,737</u>	<u>7,178</u>	<u>35,911</u>	<u>66,902</u>
<u>3,581</u>	<u>5,824</u>	<u>3,167</u>	<u>2,325</u>	<u>10,004</u>	<u>36,001</u>	<u>105,117</u>
-	-	-	-	-	-	25,146
-	-	-	-	-	8,671	8,996
-	-	-	-	-	-	693
1,841	8,000	4,000	4,000	8,000	-	40,841
<u>102</u>	<u>474</u>	<u>463</u>	<u>288</u>	<u>2,193</u>	<u>-</u>	<u>6,389</u>
<u>1,943</u>	<u>8,474</u>	<u>4,463</u>	<u>4,288</u>	<u>10,193</u>	<u>8,671</u>	<u>82,065</u>
<u>1,638</u>	<u>(2,650)</u>	<u>(1,296)</u>	<u>(1,963)</u>	<u>(189)</u>	<u>27,330</u>	<u>23,052</u>
<u>193</u>	<u>1,246</u>	<u>663</u>	<u>3,233</u>	<u>13,207</u>	<u>4,126</u>	<u>131,185</u>
<u>\$ 1,831</u>	<u>\$ (1,404)</u>	<u>\$ (633)</u>	<u>\$ 1,270</u>	<u>\$ 13,018</u>	<u>\$ 31,456</u>	<u>\$ 154,237</u>